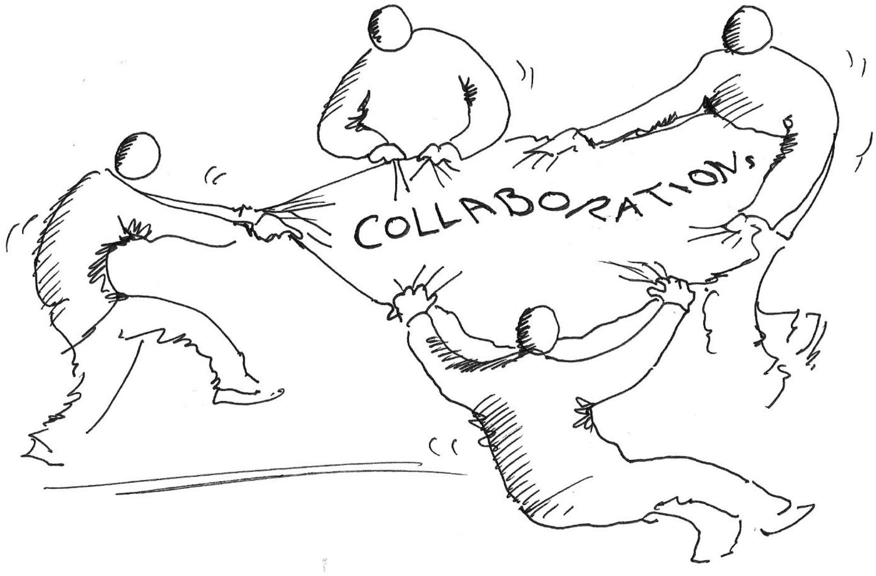
Praxis Note No. 64

# Funder collaboration: A compelling and cautionary tale




Rick James

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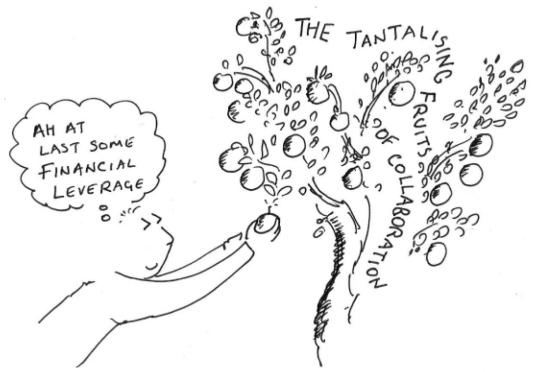
INTRAC
International NGO Training and Research Centre

## Collaboration – the new funder fashion

Everyone is talking about collaboration these days. You hear it in development conferences and webinars; you read about it in reports and blogs. In the aid sector, funder collaboratives are almost the new orthodoxy. Interest in funder collaboration has exploded, with a huge number of reports on the subject in the last five years, extolling the tantalising benefits. Foundation networks consider collaboration to be one of the most critical strategic issues.[1] Studies suggest that, given the scale and social complexity of the development challenges today, funders will increasingly realise the limitations of working in isolation and will instead seek to collaborate with others.[2] For some collaboration conjures up the magic words 'financial leverage'.




But words are easier than actions. The practice of funder collaboration lags well behind the rhetoric.[3] Funders prescribe collaboration as a good thing for others, but do not always take their own advice. In reality many foundations remain deeply ambivalent about funder collaboration. They find that a collaborative approach challenges traditional ways of working.[4] They balk at leaving their identity at the door. They fear the extra costs and reduced flexibility that deeper levels of collaboration may involve.

Some commentators are already challenging the emerging orthodoxy. Craig Dearden-Phillips asks: *"Why do we all dance to the discordant tune of collaboration? In the third sector we are far too eager to collaborate…slaves to an orthodoxy that collaboration always leads to better outcomes…Joint working goes against the grain."*[5]

> "*No private funder alone, not even Bill Gates, has the resources and reach to move the needle on our most pressing and intractable problems*." Fulton, Kasper, and Kibbe

What everyone agrees on is that there is limited practical evidence to draw on. Despite the stated intentions there are few documented examples of funder collaborations – and fewer still that are candid enough for others to learn from. This note contributes to redressing this imbalance in a small way. It explores the experience of a significant collaboration between four foundations who had the vision and courage to pool their funding ($13 million in total) to work together on a joint project in Tangababwe.[6] This paper outlines the story of this collaboration, the hard work and effort involved, and the mixed outcomes. It identifies the major learning from this experience. **A**mbition, **C**ommitment, **T**rust and **S**tructures and systems – the ACTS of collaboration emerged as key themes. Each was both intrinsic to the success of the initiative, but also contributed to its failures. We highlight seven top tips for foundations, international NGOs and bilateral donor agencies contemplating collaboration with other funders.

1. Treat pooled funding with trepidation
2. Choose suitable friends
3. Travel to the field together
4. Invest sufficient senior staff time

[1] From research interviews with AGAG, Foundation Center, FCAA and EFG.
[2] Fulton, Kasper and Kibbe 2010:4
[3] Proscio 2010: i
[4] Leat 2009
[5] Craig Dearden-Phillips 2011
[6] Names disguised for confidentiality

5. Focus on the partner(s), not just the technical programme
6. Let go of control to genuinely share ownership
7. Organise appropriately.

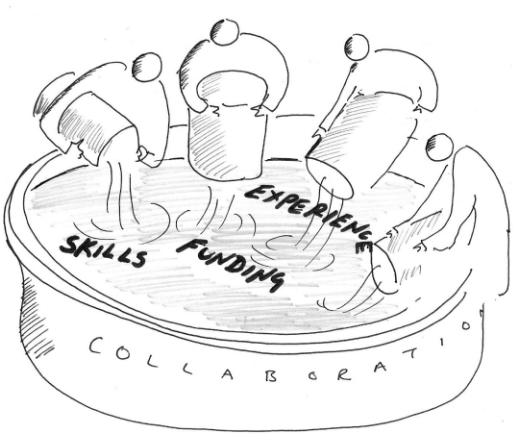
## Dreaming of a different way

It all started with a casual conversation back in 2004. Two highly experienced development workers, who were now in leadership roles in large foundations, were bemoaning the fragmented donor approach to funding in Africa. They were deeply frustrated that this lack of funder collaboration was leading to duplication in programming, segmented approaches, half-measures in implementation, and at best only mediocre progress.

They began to dream of a different dynamic. They asked: "What if?" What if a collaboration of funders could deliver a holistic best-practice response? What if they could also model a different way of working? Might this even change the global rules of the game for funders today?

Their dreams resonated with others. Four foundations were particularly interested. Shared professional relationships and good organisational reputations in the sector helped build trust between them. The funders also all had strategies to channel larger funds to fewer projects in order to maximise impact, making them more open to the idea of collaboration with other funders. After careful discussions with their leadership and boards the four agencies decided to go for it. They opted to pool their funds in a common pot (an intense level of collaboration - see Appendix) in the hope that this would enable them to:

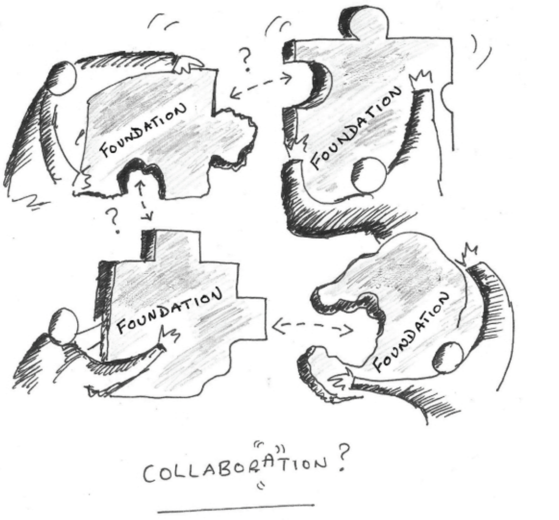
1. Create a larger pool of funding, to deliver a bigger programme.
2. Simplify life for grantee partner organisations to only have to deal with one body.
3. Learn from varied experiences, skills and knowledge of agencies and individuals.
4. Have a greater combined influence with key players.
5. Set an example to partners – "*walk the talk of collaboration*."




## Grim realities

The excitement at getting started was short-lived, however. At that early stage, few could have predicted the frustration of the next two-and-a-half years. The protracted and painful 'storming' phase lived up to its reputation.

The four funders quickly realised that despite their shared aspirations, they were "*radically different organisations with radically different methods and approaches*". They had different reasons for joining – one was most interested in leveraging funds; another wanted to leave a collaboration legacy; another was passionate about changing the ways funders work together. While two members had worked in funder collaborations before, two had not. Some were more used to taking an engaged approach to funding, while others tended to operate as hands-off donors. Some had a definite five-year timescale, but for others the initiative was more open-ended. Some needed hard quantitative return on investment metrics, while others preferred more qualitative measures of success.




They soon realised at a deeper level how different they were in *"our values, the ways we operated, the ways we defined success, our characters and personalities"*. They were trying to fuse the best of each, but felt like they were experiencing the worst of all. There was a lot of tension between the self-confessed "*highly opinionated"* steering group members who were all used to leading and shaping their own organisations. They were all "*feisty and daunting personalities"* as one board member commented.

This lack of coherence proved costly. Members spent 18 months trying to agree an official collaboration document. The confused identity of the collaborative at this time made it very difficult for them to engage in productive relationships with other stakeholders, in particular in-country intermediary partners (whom they needed to implement their programme).

They had carefully mapped and analysed the capacity of the potential intermediary partners. They eventually short-listed two international NGOs. It then took 18 months of proposals, feedback, reiterations, and negotiations, before one of the agencies was accepted in principle. But after a further six months of requested redesign, the international agency decided it had had enough. They withdrew from the initiative (to the shock of the funders).

Negotiations were still progressing with the other NGO (which we will call PVO). It had also been accepted in principle. Although they knew that the proposal required more work, the steering committee signed the contract (without carrying out standard partner appraisal processes). They felt they were running out of options and needed to get something moving. As one said: "*We jumped on PVO's proposal when we knew it was not great or ready*." Their impatience came back to haunt them.

The lack of clarity in the early years also cost others dear. The university contracted to design and manage a rigorous evaluation system estimated that they spent an extra $100,000 in staff time just to respond to the collaborative's mistrust, constant questioning, and frequent requests for adaptations. To enable closer and better relations with the field the collaborative tried setting up an in-country office. But this seemed to make the situation even worse as there was simply another intermediary to speak through. Furthermore the staff recruited to the office all failed to perform to expectations.

Setting up the collaborative was intended to simplify relations with partners, as the grantees would only deal with one organisation rather than four. But because they were pooling funding in a joint venture, they had no existing grant management systems. They continually had to either create something from scratch or use a template from one of the members. Once they designed something, then they were keen to adapt and improve it. From partners' point of view, this meant the goal posts were constantly changing. Members admit: "*There were changing demands over time as we had no set rules or procedures*." It also meant that in some cases the systems were diluted to the lowest common denominator, particularly when faced with time pressures. A number of steering committee members admitted: "*We would not accept this level of reporting for any other project.*"

Not surprisingly, being part of the collaborative was taking up a considerable proportion of steering committee member's time. They estimate that each organisation invested 25–30% of senior management time (usually split between two people), amounting to almost 10% of the total project budget. As one committee member admitted: *"this has taken up way more time than any of us have ever done with any other project anywhere else in the world"*. The funder collaborative was taking a hands-on, engaged approach to the funding, so the steering committee in Europe spent considerable time discussing detailed project management issues in Tangababwe. As a result, committee meetings tended to be lengthy. Yet, due to the problems they were facing, and the need for consensus, most members also agreed that "*we did not allocate enough staff time to do the job properly"*. They were highly involved during meetings, but less so between them.

Being part of the collaborative at this time was "*draining and demoralising"* for members. It brought angst and frustration. As one member admitted: "*Because so much was at stake in this innovative project, there was always a high anxiety level. We felt we needed to control it, but it did not know what we wanted to control*."

## Making it work

Many agencies would have given up at this point. Those involved were sorely tempted. Instead they invested even more to make it work and get beyond the storming phase.

They spent time in deepening understanding of each other and developing trust. Field visits together proved pivotal. As one member sad: "*Spending time together on field trips led to a step change in relationship. The field trips really helped us step up a gear*." They were able to discuss their responses to practical field issues, which highlighted who they were and what they really thought - in ways that abstract discussions about documents had never done. By choosing to prioritise and schedule joint travel to the field, they developed much greater levels of trust. A deep level of professional respect developed that transcended organisational differences.

Trust was the key ingredient in changing the dynamics. As one member commented: *"As trust grew, so my commitment increased. I felt responsible, not just to the project, but to the fellow steering committee members".* As this trust developed, the foundations gradually felt safer in compromising their own interests. While some of the very different understandings of and approaches to development were never fully resolved, members began to realise that it was possible to accommodate different points of view. They were able to recognise and accept differences without needing to fight about them. Some of the parties compromised significantly, giving up previous organisational requirements. Collaborative members also accepted the loss of autonomy and recognition that was inherent in collaboration. They were even able to accept that any pooled funding "*requires some distancing from your own organisation"*. To a degree they all had to ring fence the initiative internally as collaboration was so foreign to the usual ways of working.

In any collaboration it is a real challenge to speak with a single voice. All members bring in their own perspectives and opinions. In the early years, it was as if stakeholders had to deal with a many-headed monster, each with a different voice. Collaboration members realised how important it was to speak with one voice. They worked very hard and relatively successfully to establish this. At times they refused to meet other stakeholders unless all four agencies could be present or at least until a clear message had been agreed.

Creating a secretariat for the collaboration also made a massive difference. As one committee member said: *"It got things moving. Beforehand, all the creative and strategic energies of the steering committee were sapped by day-to-day management issues."* By hiring a part-time administrator, it meant there was someone to "*drive through stuff between meetings*" and do the myriad of office jobs, such as organising files, writing up minutes and following up on action commitments.

Furthermore the arrival of new steering committee members improved the internal dynamics. One agency added a second member to the committee and two of the agencies changed one of their representatives. As an internal review pointed out: "*Individuals on the steering committee have been more important than the organisations involved."* Partly because of these new arrivals, they went back to the drawing board to re-conceptualise the work. They asked whether it would be simpler to switch from pooled funding to a strategic alignment (whereby they would jointly fund PVO, but keep their own systems and ways of working). They decided to continue pooled funding, but boost their collaborative efforts. They started to develop a shared theory of change and in time produced a revised concept document and operational plan.

Greater clarity among the members enabled them to make some tough decisions. They closed the field office in Tangababwe, and appointed independent consultants instead to act as in-country liaison. Previously they had divided the programme management role and the financial management between two members (to avoid any member having too much power). But this lack of integration was highly unproductive, so they merged the roles into one member.

But perhaps the hardest decision still awaited them. With the merger of the programme and financial management, some of the underlying differences between the collaborative and PVO were exposed. The reports did not give the collaborative the information it needed. There was considerable dissonance between PVO's business model and the expectations of the collaborative. The unit costs of implementing the project as it stood appeared to make sustainability impossible. Unexpected overspends came to light. Trust degenerated quickly and the relationship unravelled within weeks. Ironically while the project itself was in crisis, the collaborative itself was performing "*at the top of its game"*.

The collaborative took the radical decision to accelerate PVO's transition of the programme to a local organisation (something discussed previously, but never seriously planned). It was a high risk option as the local partner has limited capacity and experience of grant management. But with just one year's funding and a clear timeline for exit, this transition has helped focus the programme on becoming more sustainable and ensuring that local government takes greater responsibility in implementation.

## A happy ending?

So does this story have a happy ending? Was the collaboration worth all the effort?

Most members agree that if you are thinking about the specific project in Tangababwe then probably not. At least not yet. But if you are thinking about the learning that members gained about collaboration - that they are now applying to other relationships with funders globally - then they believe it was a successful learning experience.

The collaboration did realise a number of the intended benefits for the project. Not only did it have four times the budget, but it also enabled the project to draw on the distinct technical and management expertise of each member. Their different ways of working and emphases enriched the collaboration – for example they took the need for rigorous evaluation more seriously as a result. As a collaborative they had access to each other's networks and contacts. As four agencies together they had greater weight and influence with different stakeholders. Working together also gave them courage and confidence to try something audacious and impressive.

But collaboration came at a high price. It consumed huge amounts of senior staff time, particularly at the start and at points of crisis. And even then it wanted more. The need to reach consensus meant that decision-making was often slow – some members described it as procrastination in the early years. These delays made relationships with external partners problematic.

Funder collaboration clearly does not simplify the complexities and challenges of sustainable development in extreme contexts. In some ways it adds yet another layer of complexity. Funder collaboration cannot obviously guarantee project success. And yet this is ultimately what it is all about. As one board member said, everything really depends on whether lives have been changed on the ground: "*This is the most important part. If there is no change here, then there is no point in a funder collaborative. It is not about funders just working together.*"

Five years since it started, the project can only point to limited progress despite the huge investment of resources and energy. According to the external evaluation, there are few areas where statistically significant evidence of change exists and most of these are largely related to the provision of inputs. Obviously without clear success on the ground to point to, the expected positive influence on development policy has not materialised. There are plenty of reasons for the lack of success in such a challenging context with weak civil society and local government. It may just be too early to say. It takes time for the benefits to filter through.

Having said that, however, all the funders involved believe that what they learnt from this first-hand experience of an intense collaboration was invaluable for their future strategies and ways of working with other funders. They found that learning first-hand by collaborating together was much more intense than reading about others' experiences. As one said: "*If you have not felt the pain of collaboration, you have not really taken the risk, nor will you get the deep learning.*"

Due to this experience, members have become much more aware of the pitfalls and levels of commitment needed in funder collaborations. The experience has increased their commitment to funder collaboration, but now they do things differently as a result of the difficult lessons. In the 15 or so subsequent funder collaboratives they have engaged with, none of them have repeated the experiment with pooled funding. They have always engaged less intensely through joint funding or strategic alignment.

## Learning from the ACTS of collaboration

There is much to learn from this fascinating story. There are both light and dark elements in funder collaboration. We need to acknowledge this shadow side if we are to mitigate the inherent risks. In this case study we see that the process of collaboration required:

- **A**mbition, but brought the risk of hubris
- **C**ommitment, but carried the temptation to control
- **T**rust, but could be exclusive and easily lost
- **S**ystems and structures, but were costly and time-consuming to set up from scratch

This example therefore reveals that successful funder collaborations need:

## Ambition tempered by humility

Without ambition this funder collaborative would never have started. It was the motivating force that gave energy and excitement. It took courage to refuse to accept the status quo – a fragmented approach where governments, civil society and funders all pull in different directions. The dream of changing the rules of the game for funders was inspiring. They were prepared to risk and pioneer a new way of working together. They had the courage to try something, when most foundations only dared to talk about it.

As they worked together, their courage and ambition increased. They were able to share the risk. None of the agencies would have dared to fund this project alone. As they went through the ups and downs of the project, the collaboration gave them the motivation and belief that they could overcome the huge obstacles.


But there was a shadow side to the "*astonishing ambition*" (as one member described it). It meant they lost a sense of what was realistically achievable in such a difficult context. As one member admitted: *"It was a bit of a vanity project."* The degree of difficulty they set themselves meant they were almost bound to fail. They chose:

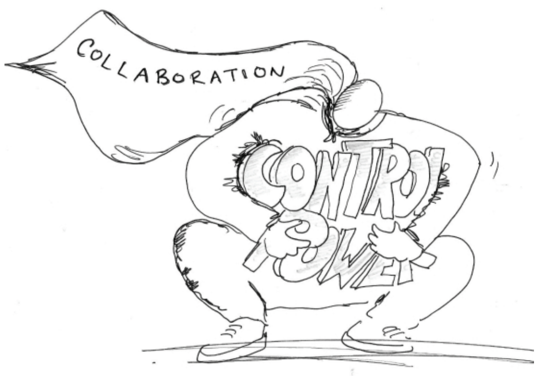
1. The most complex and intensive collaboration (joint venture with pooled funding)
2. Four members of the collaborative (rather than the usual two)
3. Highly diverse members (in terms of motivation, values and approach)
4. To take an 'engaged' funder approach, working through just one implementing partner (though this was not the original intention, but what occurred by default)
5. To develop and learn from an untested, integrated and multi-sectoral programme which depended for success on the smooth functioning of a web of inter-connected relationships (such as community groups, service providers, local government)
6. To implement such a complex project in Tangababwe, where local civil society capacity and local government is weak
7. To try and prove measurable change in children – the most vulnerable members of society with whom it is extremely difficult to prove causality
8. To accomplish everything in five years
9. To aim to change the whole approach to collaboration amongst international NGOs, local NGOs, CBOs, local and national government in Tangababwe
10. To aim to influence the global foundations' approach to collaboration.

Each one of these elements on its own is difficult enough. Together the risks were multiplied exponentially. Imagining it would be possible to tackle all ten simultaneously smacks of hubris. As four agencies together, they may have had a heightened and unrealistic sense of what might be achievable in such a challenging context. Funder collaborations need ambition and courage, tempered by realism and humility.

## Commitment without control

Collaboration is costly at the best of times. It will probably not save much time or money. It is not something that funders can play at. If a collaboration is to be greater than the sum of its parts, it requires serious investment and commitment. This case study demonstrates an extraordinary and exemplary level of commitment from its members.

Each member made large financial commitments. But perhaps more importantly, was the commitment of the individuals involved. Each of the agencies invested a significant proportion of senior managers' time. These were not just any senior managers. Three of the members assigned their chief executives to be one of their two steering committee members. Each of the agencies made considerable compromises to make the collaboration work. Some gave up their priority focus areas; others gave up on their grant management and reporting systems. For the success of the collaborative, they were prepared to be in a "*constant fight to keep individual perspectives and organisational imperatives at bay*".




But being a collaborative of four committed funders together added even greater weight to the inherent donor power dynamic. Funder control over resources was four times greater, effectively centralising power away from the field. The individuals involved in the collaborative were all strong personalities as well as respected technical experts in their particular fields. Added to this, they chose to take an 'engaged approach' to funding whereby they were highly involved in proposal development and "*discussions of the specific details of project management*". It was easy for such ownership and high commitment to become quite controlling and disempowering of the field.

Because the steering committee was giving so much time, they may have felt they had to be visibly adding value by making lots of suggestions for improvements; after all, as one said: "*a steering committee has to steer"*. To the main implementing partner this felt like micro-management. Such directive involvement worked best in emergency situations. As one put it, *"We operate best as a steering committee in a crisis."* However, it did not naturally promote genuine local ownership of the project and hence prospects for sustainability.

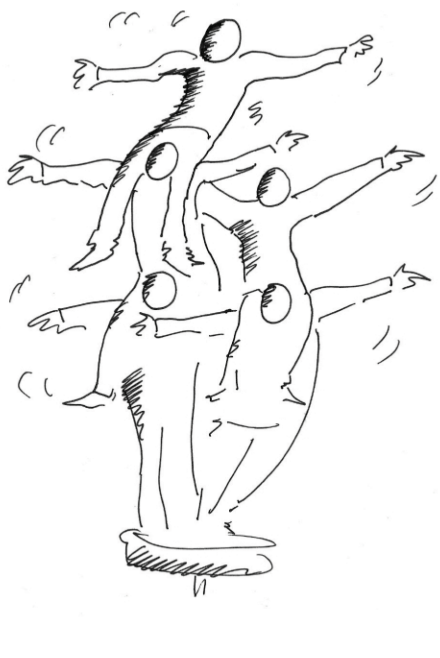
Being a collaborative may have made them overcommitted. As one member said "*We had invested too much to allow it to fail."* They had to consider the reputational risk for their organisations. Consequently the collaboration may have been less flexible. Another member admitted: "*We could not stop because of the other three on the bus."*

## Trust: a hard, but fragile core

Trust is the key to successful collaboration. Trust is not something light and fluffy. It is the hard core – the bedrock on which collaboration can be built. How well a funder collaborative performs will be directly related to the degree of trust between members. It was trust between the different individuals on the steering committee that kept the collaboration together when things looked bleak. High levels of personal trust enabled the collaboration to act quickly and at points of crisis. But when trust with the implementing partner broke down the relationship disintegrated rapidly.

The joint field visits played a significant part in developing the personal relationships which grew into high levels of respect for each other's judgments. Initially, field visits were undertaken by organisations individually or in pairs, leading to mixed messages on the ground and differing experiences to feed into discussions. Once steering committee members prioritised travelling together, they got to know each other as individuals and deep trust developed. *"It generated a shared understanding and a sense of urgency about what we were trying to achieve. It broke down barriers between people and surfaced individual strengths."*

Once this trust was established, it meant that steering committee meetings were full of honest challenge and genuine listening. By being "*constructively disruptive"* and asking each other hard questions, they avoided group-think and were prepared to face unpalatable truths. They were not precious about having their own airtime in meetings. All of the members participated fully; it was striking how no one person or agency dominated.



But this story also illuminates the flip side of trust. Trust in an inner group can become exclusive. As trust began to develop amongst the four members, and "*balance and safety"* was reached, "*membership was effectively locked down"*. As one member said: "*It took us some time to get trust within the group and we did not want to bring external people in."* At times, this meant that they did not seek the ideas or advice of others outside the collaborative, nor did they achieve one of their indicators of success for the collaborative – getting other funders to join.

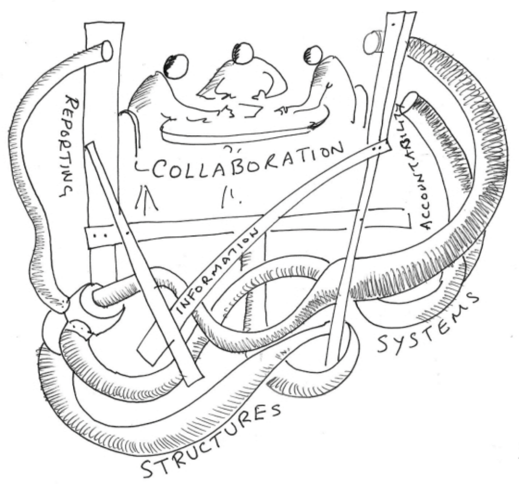
But perhaps even more fundamentally this story shows the fragility of trust. When the implementing partner did not live up to their expectations the collaborative felt deeply deceived. Trust was lost almost instantaneously. Perhaps it should have been obvious from the start that there was a mismatch of approaches, theories of development, cultures, and financial and reporting systems, between the collaborative and the implementing partner. At best it was only ever a marriage of convenience.

## Structures and systems that fit

To maintain and develop trust, you need structures and systems. This story demonstrates the value of appropriate structures and systems in any collaboration, but also how expensive and time-consuming they can be to create from scratch.

Collaboration is not easy for autonomous foundations and NGOs. It needs people with the time and responsibility to make it happen. In this case study, members learnt the value of *"paying attention to the servicing process of the collaboration"*. Establishing a secretariat "*made a massive difference*", and cost just 0.5% of the total budget. Having part-time administrator released the energies of the steering committee to focus on the big picture issues.

This story also illustrates the value of sharing responsibilities amongst collaboration members. They shared out the necessary tasks fairly equitably based on voluntary commitments from each. *"Once there was clear accountability for one piece of the collaboration, then quality improved,"* according to one member. For a while, they chose to separate the financial management and the programme management roles. Not surprisingly this dis-integrated way of structuring left major gaps in information. Performance visibly improved when they were integrated.




This collaborative faced major challenges with its international structure. The steering committee felt that it needed some in-country presence to manage the day-to-day relationship with the partner. Opening and staffing a Tangababwe office proved: "*unwieldy, ineffective and expensive*." Problems with the field structure sucked in more steering committee time than had been hoped. *"We were never meant to be so involved. It turned into heavy duty management."* Closing the office and working through part-time consultancy support has generally worked better, though it still means for partners that they do not communicate directly with the steering committee.

As a new joint venture, there were no shared systems at the start: they had to be developed from scratch. Some members were forced to compromise their need for hard metrics, such as return on investment. Sometimes these new systems were reduced to the lowest common denominator, particularly when there were so many other things to do. *"We would never accept this level of reporting from any other project"* was a constant refrain in steering committee meetings. To the implementing partners "*the rules of the game were never clear"* and were constantly changing (as the collaborative learnt from experience). What the collaborative intended to be iterative improvement, others experienced as inconsistency. It was hard for others to engage with a *"boat that was being built while sailing"*.

The collaborative is most proud of its monitoring and evaluation system. *"We invested in a scale and quality of independent research to provide valid and reliable data on whether the approach would work."* They spent $1.8 million (16% of the budget) in developing a rigorous system for tracking impact, including control groups. Yet the final report highlights greater variation within intervention areas than between intervention and non-intervention areas. It reveals that the great variability in exposure to the intervention, the heterogeneity of its implementation and changes in the focus of the intervention over time, limit the ability of the evaluation to identify direct short-term and long term effects. So even such an expensive and systematic study cannot overcome inherent methodological limitations – making attribution questionable.

## Seven top tips to take-away

What can other funders learn from this experience? Some top tips include:

1. Treat pooled funding with trepidation
2. Choose suitable friends
3. Travel to the field together
4. Invest sufficient senior staff time
5. Focus on the partner(s), not just the technical programme
6. Let go of control to genuinely share ownership
7. Organise appropriately.

## 1. Treat pooled funding with trepidation

Different types of collaboration suit different purposes.[7] It is vital to be very clear why you are collaborating, what the added value is meant to be and how you expect that to be realised. Once the core purpose has been rigorously thought through, the type of funder collaboration can be selected accordingly. As one member concluded: *"If you want to collaborate you must work out what level you want. You need to think through 'what does this choice mean for risk levels and time commitment?' In future, we would think about this choice much more systematically*."

**Learning about pooled funding**

- Needs a long-term perspective to justify the significant start-up costs
- Is easier if members are open to establishing a different identity and way of grant-making as it requires greater compromise of one's own systems
- Requires more time of members, particularly if also taking an engaged funder approach
- Requires such internal attention that this may detract from influencing external stakeholders in the areas of advocacy and learning, for example
- May be better as a roll-out of a proven method, rather than for learning from an innovative approach which requires continuous adjustment.

This collaborative opted for a joint venture with pooled funding approach and no lead agency. They did not appreciate how challenging this model would be. As one member admitted: "*We didn't consider the implications of this (joint venture) in a rigorous manner… We never really analysed the options*." Joint venture collaboration involves the creation of a new entity - a huge change in the usual ways of working for most foundations. In a review of a much smaller pooled funding initiative, Proscio concluded:

> 'Instances at that scale and level of complexity are so exceptional that they all but prove the critics' case: while the benefits of combining resources may seem compelling – including the ability to make larger grants and weave together multiple kinds of expertise – the demands of doing so tend to overwhelm all but the most determined efforts at large-scale collective philanthropy' (2010:2).

The scale of these challenges means that, while all the agencies have continued to develop collaborations with other funders, none has gone down the route of pooling funds in a joint venture. They have opted for "*cleaner and more straightforward models"*, largely involving co-funding.

## 2. Choose suitable friends

Not only did this collaboration choose the most intense and complex form, it chose to do this with multiple members. Most efforts at joint ventures or pooled funding are between just two partners, not four. As one funder said: *"to keep our trustees involved, we limited our collaboration to just two*". Most of the funder collaborations which members have engaged with subsequently have been with just one other funder.

It is not just about the right number of members, but about their cultural fit with each other. Each of the members in this example brought different ambitions for the collaborative. They also brought very different values, approaches and ways of working. This diversity "*was part of the attraction"* as it brought both creativity and opportunities for learning, but it also brought tension. In this case study shared interest and commitment to the project was not enough. "*We worked with members with whom we did not share enough common ground*," admitted one respondent. "*Our core differences in our approach to being a funder (how prescriptive to be) meant that we set up a way of working which functioned imperfectly for everyone.*"

[7] dpevaluation 2012

## 3. Travel together to the field

Organisational trust is about personal trust between individuals. There is nothing more important than personal relationships. As members acknowledged, "*very strong personal rapport and respect*" were vital for the collaboration's success.

Travelling together to the field was the single most effective way they built trust. Members noted: "*Spending time together on field trips led to a step change in relationship. The field trips really helped us step up a gear.*" They were able to discuss their responses to practical field issues, which highlighted who they were and what they really thought in ways that abstract discussions had never done.

Some members also thought that it would have been valuable to spent more time in each other's organisations observing how they worked in reality, not just in theory. Members highlighted the importance of "*exploring our differences to gain understanding"*, especially in core process areas like grant management. One suggested: "*We could have sat in each other's grant assessment meetings, for example, to gauge how things really work."*

## 4. Invest sufficient senior staff time

This case study provides an impressive example of commitment to collaboration in order to make it work. All the members of the collaborative invested considerable amounts of senior staff time. One mentioned it would have helped even more if he had managed to "*carve out a deliberate portion of my time or have a dedicated member of staff."* The seniority of involvement was impressive too. Having leadership engagement on the steering committee and mandate from the board gave the authority to make decisions without continually having to go back to their own organisations for approval.

## 5. Focus on the partner, not just the technical programme

The project's success or failure depended more on the partner, than the technical design. In this example, they designed the project first and then looked for a partner to implement it for them. With hindsight, steering committee members would have focused more on the partner, rather than the project. The initial process of partner analysis was certainly demanding and protracted, but ultimately ineffective. Prospective partners were assessed against a complex matrix of multiple criteria. But as one member said: *"Without a well-grounded organisation, with clear vision, strong leadership and sound management, the rest is pointless".* Other members agree: *"You need to start with the right organisation – the geography and the project can come later. If they have the vision and the right approach then a huge amount can be achieved. Our wider experience validates this – the most successful grants are those with strong existing local partners.*"

The choice of implementing partner in the field was probably the most important decision that the collaboration made. It is ironic that four agencies working together put all their eggs in one basket by working through just one partner (though this was not the original intention). There were seven capable and strong-minded leaders in London making decisions that then had to be implemented through just one organisation, even one individual, the field director. This proved a severe bottleneck.

## 6. Let go of control to genuinely share ownership

The collaborative approach of the funders did not genuinely extend to other stakeholders in the project. It was not a multi-stakeholder collaboration as many now encourage, but a collaboration of funders.[8] The partners in Tangababwe were contracted in to deliver the funders' product. The significant consultation with stakeholders in the early stages, was along the lines of 'what do you think of our idea?' Rather than just sitting together in Europe to develop a theory of change, it may have been much more valuable to do this as a collaborative process with the key stakeholders in Tangababwe (after all they might know more about what brings change in Tangababwe than the funders do). This might also have increased local ownership and commitment and also strengthened the key relationships between the actors on the ground (such as the intermediary partner, the CBOs and the government). To be successful, the project needed all the stakeholders to be pulling in the same direction and performing well, not just the four funders. The ethos of authentic collaboration needs to extend beyond the funder group - in ways that recognise and mitigate the power that donors inherently bring.

### 7. Organise appropriately

Collaboration members learnt how important it was to organise and structure wisely. They highlighted that *"the structure for delegating and decision-making needs to be absolutely clear."* They found the process of clarifying expectations in a Memorandum of Understanding a difficult but invaluable process. It helped them to work out different roles and responsibilities and to divide tasks between members, preventing duplication and ensuring people were held to account. But separating financial management from programme management proved counter-productive; performance improved greatly when they were integrated – something "*blindingly obvious in retrospect"* as one member said.

As one member said: "*It is naïve to imagine that collaboration happens naturally. We learnt that having a staff person is critical"*. Establishing a light-touch secretariat meant that day-to-day management and administrative issues could be delegated, enabling the steering group to focus its energies on strategy. It helped ensure clearer communication and follow-up of action commitments. *"A secretariat was invaluable. I don't think any collaborative should be without one."*

## Conclusions

This a compelling story of collaboration. It is an inspiring example of funders having the courage to not accept the usual fragmented approach. They believed the lives of vulnerable children deserved better. After enormous effort they reached a stage of performing effectively as a funder collaborative.

But this is also a cautionary tale. Collaborating with other funders is much harder than going it alone. This example illustrates the phenomenal costs, compromises and commitment involved in making a joint venture collaborative work. It cautions against pooled funding with diverse donors, implementing an innovative and complex programme in such a demanding context.

This begs the big question - was it all worth it? After all, "*it was a pretty expensive experiment"* as one member said. In terms of the work on the ground in Tangababwe, the honest answer is probably not. Steering committee members admit that the collaborative has not got near to achieving most of its initial aims (but this may be more a consequence of the unique challenges the project faced in-country, rather than funder collaboration itself).

What is clear is that despite the costs and difficulties involved, the members have subsequently scaled up their collaborative ventures with other funders. They say that the learning they gained from this demanding, first-hand experience made it

[8] Leat 2009; Proscio 2010; Prager 2010; Rosenberg, Hayes, McIntyre, and Neill 2010

worthwhile. They may be more wary of the intensity of pooled funding, but are more convinced than ever of the value of funder collaboration itself. They are now much more aware of the huge risks involved, but are choosing to collaborate with other funders all the more.

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## Appendix: A typology of collaboration

Of the different typologies of ways in which funders can collaborate, members found this one developed by Hamilton (2002) most enlightening. It shows how the depth and intensity of collaboration increases as you move down the spectrum. More investment is needed the deeper you go. The funder conundrum paper by dpevaluation (2012) provides further analysis of where and when different types of collaboration are appropriate.

| | |
|---|---|
| 1. Information exchange | To provide ongoing venues for funders to exchange information, discuss common interests and learn about issues of common relevance. It is also a place where funders connect together and establish webs of relationships. Membership tends to be large, inclusive and fluid. Often nested within formal organisations such as Association of Charitable Foundations or the European Foundations Centre. |
| 2. Co-learning | To facilitate funders' ongoing engagement and exploration around a defined issue or problem, usually with the goal of developing a common intellectual framework, a shared approach or agenda, and/or positioning an issue differently in the foundation world. Also assists in identifying emerging issues and strategic opportunities. Membership requirements vary from open to restricted. Often nested within larger organisations. |
| 3. Strategic alignment – informal | To align different foundations' resources around a shared strategy – participation is generally tied to the expectation of collaborative grant-making. Many such groups are small (5–20 participants) but some have more than 40 members. Governance and administration are kept to a minimum, often supported/facilitated by a consultant or staff member within a member organisation. |
| 4. Strategic alignment – formal | A more selective and formal grouping than above with specific giving expectations. Generally a smaller group. Still maintains a lean administrative structure, with an emphasis on aligning funds rather than pooling them. |
| 5. Pooled funding | To create a funding pool from multiple sources in order to re-grant for a given area/sector/set of issues. Often requires a specific financial commitment. Money is typically granted to, held and re-granted by the collaborative entity. The decision-making process is specified, although processes vary widely. In some cases, the whole collaborative makes decisions, while in others grant-making is delegated to an intermediary. Administrative and governance structures also vary widely from the virtual to the highly formalised. |
| 6. Joint ventures | To operate particular projects rather than serve as a re-granting entity. Usually emerge out of perceived void in policy and/or practice, to raise the profile of an issue, or to develop new ideas. Often inter-disciplinary or cross-sectoral boundaries. May evolve into more traditional organisations over time. |